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TAGS: ENRG PREL UNGA BU
SUBJECT: EUR PDAS MCELDOWNEY AND S/EEE AMB. MORNINGSTAR,S
SEPTEMBER 22 MEETING WITH BULGARIAN FM ZHELEVA

Classified By: EUR PDAS NANCY MCELDOWNEY. REASONS: 1.4 (b) and (d)

¶1. (C) Summary. On the margins of the United Nations General Assembly (UNGA), EUR Principal Deputy Assistant Secretary Nancy McEldowney and Special Envoy for Eurasian Energy Richard Morningstar met with Bulgarian FM Rumiana Zheleva. The meeting focused on European energy policy, Russia,s role in the region, and Bulgaria,s views on Nabucco. PDAS McEldowney highlighted Bulgaria,s leadership role on EITI and Amb. Morningstar previewed the US-EU Energy Council. PDAS McEldowney met separately with Zhelava to discuss bilateral issues, missile defense, and Afghanistan. End summary.

Common European Energy Strategy

- 12. (C) Special Envoy for Eurasian Energy (S/EEE) Amb. Richard Morningstar noted strong support for the southern corridor and the need for countries in the region to work together on this. He said it was difficult to get bigger European countries like Germany and Italy to work together, but emphasized that it would be good to use EU countries to garner support on energy interests in this area. Zheleva agreed that the United States and Europe need a common energy strategy. FM Zheleva stated that Bulgaria was looking hard at Nabucco and Prime Minister Borissov has publicly said he wants Bulgaria to be more engaged.
- ¶3. (C) Principal Deputy Assistant Secretary (PDAS) McEldowney applauded the new Bulgarian Government,s pragmatic approach on energy. On Nabucco, the IGA agreements have created the basis for going to the next level, and Bulgaria must look at concrete steps. Morningstar agreed that the IGA is the first major step and now Turkey and Azerbaijan need to reach an agreement on pricing and transit issues. Morningstar reminded Zheleva that Bulgaria,s assistance in getting Turkey,s agreement would be helpful.
- ¶4. (C) PDAS McEldowney stressed that two steps were now necessary: first, reliable sources of supply must be secured, and second, greater political clarity must be reached by EU member states. FM Zheleva said she would advise the Prime Minister on this, and said US support was essential.

EITI and the Upcoming U.S.-EU Energy Council

- 15. (C) PDAS McEldowney raised the Extractive Industries Transparency Initiative (EITI) and Bulgaria,s willingness to launch this program in the region. Stressing the United States, desire to inject more transparency, she noted that Bulgaria could profile itself as a leader by using the EITI model for energy transit. FM Zheleva said the Bulgarian government endorsed the initiative and was determined to carry it forward.
- 16. (C) Amb. Morningstar closed the conversation on energy

issues by explaining that the United States was in the process of setting up a U.S.-EU Energy Council to address energy security, energy policy and energy technology, among other things. The fact that the Secretary of State and the Secretary of Energy will chair the Council ensures that it will receive high-level attention. Morningstar said that the Council will likely be announced at the U.S.-EU Summit.

Bilateral Issues

- 17. (C) In a separate meeting with FM Zheleva, PDAS McEldowney congratulated the new Government of Bulgaria for laying out an ambitious agenda addressing domestic corruption and improving its standard within the EU.
- 18. (C) FM Zheleva asked about the possibility of scheduling a meeting between President Obama and Prime Minister Borissov. She indicated that Bulgaria hoped to arrange a meeting before the middle of November. She queried if it would be possible to arrange a meeting during the Berlin Commemorative Ceremony. PDAS McEldowney committed to get back to her.

Missile Defense, Afghanistan, and Nagorno-Karabakh

19. (C) PDAS McEldowney described the United States, new policy on missile defense, and noted U.S. interest in working together with NATO allies. She expressed hope that Bulgaria would support us in this new phase, which will bring all NATO members under protection. She also raised the importance of Bulgaria,s contributions to Afghanistan and noted the potential to expand training at the Joint Facilities in Bulgaria. CLINTON